

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:1895  
ANSWERED ON:05.05.2016  
Machinery in Textile Sector  
Choubey Shri Ashwini Kumar

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether most of the Indian textile mills are still working on obsolete machinery and if so, the details thereof, State/UT-wise;
- (b) the steps taken/proposed to be taken to modernise the industry so that it can comply with the international market standards;
- (c) whether power supply in most of the textile factories/mills is inadequate and erratic which adversely affects the production and if so, the details thereof; and
- (d) the steps taken to resolve this problem and the progress made during the last three years and the current year?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE)  
IN THE MINISTRY OF TEXTILES  
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): A credit linked Technology Upgradation Fund Scheme (TUFS) introduced in 1999 has catalysed capital investments for technology upgradation and modernization of the textiles industry by providing specified interest reimbursement and capital subsidy. Technology upgradation under the scheme means induction of state-of-the-art or near-state-of-the-art technology by the textile industry. Investment of Rs. 2,71,480 crore has been leveraged and an amount of Rs. 22013.09 crore has been released as subsidy under TUFS for technology upgradation since its inception.

An "Amended Technology Upgradation Fund Scheme (A-TUFS)" in place of the existing Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) for technology upgradation of the textiles industry has been introduced which has become effective from 13.01.2016 for a period of seven years till 2021-22. The scheme will be bank credit linked with emphasis on promotion of exports, import substitution and generation of employment. It provides for one time capital subsidy for eligible machinery.

The rates of subsidy and caps for different segments under ATUFS are given below:-

Sl. No. Segment Rate of Capital Investment Subsidy (CIS) CIS per individual entity

- 1. Garmenting, Technical Textiles 15% on eligible Machines Rs. 30 crore\*
- 2. Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom.

10% on eligible Machines Rs. 20 crore\*

3(a)

Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.

15% on eligible Machines

Rs. 30 crore\*

3(b) Composite unit/Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50%. 10% on eligible Machines Rs. 20 crore\*

\*In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted as indicated above for respective segments.

An allocation of Rs. 17,822 crore has been approved for seven years to meet the committed liabilities of Rs.12,671 crore and Rs.5151 crore for new cases under ATUFS.

(c) & (d): The matter regarding supply of power to the textile mills across the country pertains to the State Governments.

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